State of Rhode Island Office of the Health Insurance Commissioner
Health Insurance Advisory Council
Meeting Minutes
May 19, 2015, 4:30 P.M. to 6:00 P.M.
State of Rhode Island Department of Labor and Training
1511 Pontiac Avenue, Building 73-1
Cranston, RI 02920-4407

Attendance

Members

Co-Chair Commissioner Kathleen Hittner, Co-Chair Steve Boyle, David Feeney, Karl Brother, Gregory Allen, Hub Brennan, Rob Cagnetta, Al Charbonneau, Al Kurose, Bill Schmiedeknecht, Howard Dulude, Rob Cagnetta

Issuers

Neighborhood Health Plan of Rhode Island: Emily Colton
Blue Cross Blue Shield of Rhode Island: Megan Dennen, Stacy Paterno
Aetna: Ron Souza

State of Rhode Island Office of the Health Insurance Commissioner Staff

Linda Johnson, Sarah Nguyen, Jay Garrett, Cory King

Not in Attendance

Mike Souza, Tammy Lederer, Emmanuel Echevarria, Pat Mattingly, William Martin, David Mathias, Vivian Weisman, Wendy Mackie, Emmanuel Falck

Minutes

1. Welcome and Review of April Meeting Minutes

Commissioner Hittner and Steve Boyle called the meeting to order and welcomed all Health Insurance Advisory Council (HIAC) members and others in attendance. The minutes from the April 21, 2015 HIAC meeting were reviewed and approved with no changes.

2. Legislative Update

Commissioner Hittner said there was no news to report on legislation monitored by OHIC.

3. Affordability Standards: Care Transformation and Alternative Payment Committees

Sarah Nguyen and Cory King each gave a presentation on the committees convened by OHIC as part of the revised Affordability Standards. The slides from both presentations are available on the OHIC website.

Sarah began with a review of the work of the Care Transformation Committee, which was charged with creating a Care Transformation Plan. The Care Transformation Committee set a target of having "each insurer subject to the Affordability Standards increase the percentage of its primary care network functioning as PCMHs by 5 percentage points compared to the baseline rate calculated by OHIC by September 1, 2015."

The presentation sparked a discussion among Council members about the viability of the PCMH model for small, independent practices with just a few doctors. Karl Brother inquired as to whether or not there was a size requirement for a practice to qualify as a PCMH. There is no requirement for a minimum number of doctors or support staff. Dr. Hub Brennan offered an account of his experience at his own small, independent practice which transitioned to the PCMH model. He stressed the barriers of upfront costs and that he felt a small practice would have a difficult time transitioning without the support of an Independent Physicians Association (IPA) or an Accountable Care Organization (ACO). Dr. Al Kurose said that it was an "open question" as to whether small practices would be able to meet the PCMH criteria and "create the kind of cost efficiency that is the ultimate goal."

Commissioner Hittner said she felt that there was a lot of success in transitioning large practices and physicians groups to PCMH and that adding more small practices would be more challenging, but acknowledged that having more ACOs and PCMHs would not fix the health care system on their own.

Other Council members contributed to the discussion with questions and comments relating to the ability of practices to operate as PCMHs independently, how much support practices might need and where they might get it, and the fairness of applying standards to PCMHs of different sizes and structures.

Final comment on the Care Transformation Plan proposed by the committee is due by May 22nd. The plan will then be submitted to the Commissioner for approval, rejection, or modification.

Next, Cory King reported on the work of the Alternative Payment Methodology Committee, charged with creating a plan to develop payment methods that are alternatives to the traditional fee-for-service model. Committee members have reviewed definitions of alternative payment methodologies, target constructs, and supporting activities to advance payment reform. Cory said that the Committee perceived a lot of momentum to spread payment models that promote efficiency and quality of care. There was a particular emphasis on engaging purchasers (employers) in these efforts.

The Alternative Payment Methodologies Committee developed two sets of targets:

1. An Alternative Payment Methodology (APM) Target: Use of alternative payments as a percentage of commercial insured medical spend; and
2. A Non-fee-for-service APM Target: Use of strictly non-fee-for-service alternative payments as a percentage of commercial insured medical spend.

The Alternative Payment Methodology Committee will review and finalize draft recommendations at their next meeting, scheduled for June 18th. The recommendations will then be submitted to the Commissioner for approval, rejection or modification.

Both committees will reconvene in the fall.

4. Form and Rate Review Update

Linda Johnson and Sarah Nguyen reported on proposed rate increases filed by all four major carriers in Rhode Island. The table below was presented to the Council and contains data as of May 15, 2015.

	Individual (EHB Base Rate)			Small Group (EHB Base Rate)			Large Group	
	2015 Approved	2016 Proposed	% Change	2015 Approved	2016 Proposed	% Change	2015 Approved	2016 Proposed
BCBSRI	$330.09	$389.27	17.93%	$368.31	$385.56	4.68%	8.40%	7.30%
United HMO	$298.77	$331.80	11.06%	$379.17	$430.26	13.47%	11.00%	7.10%
United PPO				$383.41	$435.04	13.47%	11.00%	7.10%
NHPRI	$288.99	$320.28	10.83%	$314.95	$315.97	0.32%		
Tufts HMO				$385.56	$404.59	4.94%	5.00%	6.70%
Tufts PPO				$388.75	$409.85	5.43%	5.00%	7.20%

Sarah explained that the rate requests filed were subject to change—OHIC is giving the carriers until June 1 to resubmit rate requests with justifications for changes. After June 1, OHIC will consider all rate requests final and not allow any changes made by the carriers unless changes are requested by OHIC.

OHIC required each carrier to submit a consumer disclosure form. These disclosures were provided to Council members at the meeting.

Rob Cagnetta asked how United HMO could "justify" such a large increase in small group relative to the requested increase in the individual market. Linda stated that there were many factors including plan design and network structure, but Sarah also said it was a "great question" that OHIC would bring to their actuaries.

5. Presentation from Lifespan: Lessons from a Self-Insured Employer

Council member Howard Dulude of Lifespan gave a presentation describing how Lifespan's self-insurance works for their employees. The presentation came at the request of Commissioner Hittner, who said that a lot of smaller groups are talking about self-insuring and that it was "very concerning because they don't necessarily have the infrastructure."

Howard said that Lifespan has been self-insured since 2002 and since then has not had to introduce high deductibles or copays. Lifespan assumes full risk and has not purchased any stop-loss coverage. The company has focused on providing wellness incentives and making weight loss and tobacco cessation programs very accessible to their employees. They also cover all primary care physicians in the entire

state at Tier 1. Howard said the aim was to reduce as many barriers as possible to their employees seeking primary care.

Commissioner Hittner, after the presentation, expressed a concern that smaller companies who cannot implement the types of measures that Lifespan had successfully implemented would attempt to self-insure and no be ready, but that she was also "interested in exploring how we adopt [the types of measures Lifespan has adopted] to apply to the general population."

7. Public Comment

Ted Almon, CEO of Claflin: "It would be laudable if we look at the population of the state as one giant self-insured plan." He recommended that HealthSource RI be used as a tool to allow "all the small group plans to aggregate and take advantage of economies of scale."

Joe Sinapi, Sinapi Insurance: Identified himself as a broker but also said he was speaking "as a consumer." He noted that while "we are seeing some of the lowest cost increases in medical care in decades, carriers are still proposing "double-digit increases in rates." He called for decreases in rates, saying "It can be done… if we have the political will to do it." He acknowledged that rates are only one piece of the puzzle and that "we're on the right track," but felt that if OHIC were to deny any rate increases to the carriers, it would "put pressure on the insurers to then put pressure on providers."

Marti Rosenberg, Providence Plan: Reported that the Health Insurance Small Employer Taskforce had a "great forum and discussion" on May 14, featuring a panel of state leaders including Commissioner Hittner, Director Wallack from HealthSource RI, State Senator Joshua Miller and State Representative Joseph Shekarchi. The topic was "placing the healthcare discussion within the economic development discussion" and "how to make sure we are focused on small businesses with economic development." She thanked the Council and Commissioner Hittner for their support.